

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA**

In re: TV-32 DIGITAL VENTURES INC.

Case No. 09-58098 ASW

**CHAPTER 11  
MONTHLY OPERATING REPORT  
(GENERAL BUSINESS CASE)**

**SUMMARY OF FINANCIAL STATUS**

**MONTH ENDED:** Apr-10

**PETITION DATE:** 09/23/09

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).  
Dollars reported in \$1

**2. Asset and Liability Structure**

- a. Current Assets
- b. Total Assets
- c. Current Liabilities
- d. Total Liabilities

<b>End of Current Month</b>	<b>End of Prior Month</b>	<b>As of Petition Filing</b>
\$29,485	\$420	
\$4,451,000	\$4,831,420	
\$2,500	\$27,338	
\$3,667,305	\$3,692,443	
		\$4,602,250
		\$3,788,226
		<b>Cumulative (Case to Date)</b>

**3. Statement of Cash Receipts & Disbursements for Month**

- a. Total Receipts
- b. Total Disbursements
- c. Excess (Deficiency) of Receipts Over Disbursements (a - b)
- d. Cash Balance Beginning of Month
- e. Cash Balance End of Month (c + d)

<b>Current Month</b>	<b>Prior Month</b>	<b>Cumulative (Case to Date)</b>
\$14,898	\$7,867	
\$2,555		
\$12,343	\$7,867	
\$1,823	\$420	
\$14,166	\$8,287	
		\$46,222
		\$10,654
		\$35,568
		\$0
		\$35,568
		<b>Cumulative (Case to Date)</b>

**4. Profit/(Loss) from the Statement of Operations**

**5. Account Receivables (Pre and Post Petition)**

**6. Post-Petition Liabilities**

**7. Past Due Post-Petition Account Payables (over 30 days)**

<b>Current Month</b>	<b>Prior Month</b>	
\$0		
	\$420	
\$2,500	\$27,338	
\$0		

**At the end of this reporting month:**

- 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)
- 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)
- 10. If the answer is yes to 8 or 9, were all such payments approved by the court?
- 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)
- 12. Is the estate insured for replacement cost of assets and for general liability?
- 13. Are a plan and disclosure statement on file?
- 14. Was there any post-petition borrowing during this reporting period?
- 15. Check if paid: Post-petition taxes   ; U.S. Trustee Quarterly Fees   X  ; Check if filing is current for: Post-petition tax reporting and tax returns:   .  
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

**Yes**

**No**

X

X

n/a

X

X

X

X

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct

Date: 4/20/2010 0:00

/s/ Booker T. Wade

Responsible Individual

# STATEMENT OF OPERATIONS

## (General Business Case)

For the Month Ended 03/31/10

<b>Current Month</b>			<b>Cumulative (Case to Date)</b>	<b>Next Month Forecast</b>
<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>		
<b>Revenues:</b>				
1 Gross Sales				
2 less: Sales Returns & Allowances				
3 Net Sales			\$0	\$0
4 less: Cost of Goods Sold			(Schedule 'B')	
5 Gross Profit			\$0	\$0
6 Interest				
7 Other Income:				
8				
9				
\$0	\$0	\$0	\$0	\$0
<b>10 Total Revenues</b>			\$0	\$0
<b>Expenses:</b>				
11 Compensation to Owner(s)/Officer(s)				
12 Salaries				
13 Commissions				
14 Contract Labor				
<b>Rent/Lease:</b>				
15 Personal Property				
16 Real Property				
17 Insurance				
18 Management Fees				
19 Depreciation				
<b>Taxes:</b>				
20 Employer Payroll Taxes				
21 Real Property Taxes				
22 Other Taxes				
23 Other Selling				
24 Other Administrative				
25 Interest				
26 Other Expenses:				
27				
28				
29				
30				
31				
32				
33				
34				
\$0	\$0	\$0	\$0	\$0
<b>35 Total Expenses</b>			\$0	\$0
\$0	\$0	\$0	\$0	\$0
<b>36 Subtotal</b>			\$0	\$0
<b>Reorganization Items:</b>				
37 Professional Fees				
38 Provisions for Rejected Executory Contracts				
39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case				
40 Gain or (Loss) from Sale of Equipment				
41 U.S. Trustee Quarterly Fees				
42				
\$0	\$0	\$0	\$0	\$0
<b>43 Total Reorganization Items</b>			\$0	\$0
\$0	\$0	\$0	\$0	\$0
<b>44 Net Profit (Loss) Before Federal &amp; State Taxes</b>			\$0	\$0
\$0	\$0	\$0		
<b>45 Federal &amp; State Income Taxes</b>				
\$0	\$0	\$0	\$0	\$0
<b>46 Net Profit (Loss)</b>			\$0	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 03/31/10

**Assets**

		<u>From Schedules</u>	<u>Market Value</u>
<b>Current Assets</b>			
1	Cash and cash equivalents - unrestricted		\$29,485
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8			
9	<b>Total Current Assets</b>		<u>\$29,485</u>
<b>Property and Equipment (Market Value)</b>			
10	Real property	C	\$4,350,000
11	Machinery and equipment	D	\$100,000
12	Furniture and fixtures	D	\$1,000
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	
17		D	
18		D	
19		D	
20		D	
21	<b>Total Property and Equipment</b>		<u>\$4,451,000</u>
<b>Other Assets</b>			
22	Loans to shareholders		
23	Loans to affiliates		
24			
25			
26			
27			
28	<b>Total Other Assets</b>		<u>\$0</u>
29	<b>Total Assets</b>		<u>\$4,451,000</u>

**NOTE:**

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

**Liabilities and Equity**  
**(General Business Case)**

**Liabilities From Schedules**

**Post-Petition**

**Current Liabilities**

30	Salaries and wages	
31	Payroll taxes	
32	Real and personal property taxes	
33	Income taxes	
34	Sales taxes	
35	Notes payable (short term)	
36	Accounts payable (trade)	A
37	Real property lease arrearage	\$2,500
38	Personal property lease arrearage	
39	Accrued professional fees	
40	Current portion of long-term post-petition debt (due within 12 months)	
41	Other: _____	
42	_____	
43	_____	
44	<b>Total Current Liabilities</b>	<b>\$2,500</b>

**Long-Term Post-Petition Debt, Net of Current Portion**

45	<b>Total Post-Petition Liabilities</b>	<b>\$2,500</b>
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**Pre-Petition Liabilities (allowed amount)**

47	Secured claims	F	\$3,618,704
48	Priority unsecured claims	F	\$24,735
49	General unsecured claims	F	\$21,366
50	<b>Total Pre-Petition Liabilities</b>		<b>\$3,664,805</b>
51	<b>Total Liabilities</b>		<b>\$3,667,305</b>

**Equity (Deficit)**

52	Retained Earnings/(Deficit) at time of filing	
53	Capital Stock	
54	Additional paid-in capital	
55	Cumulative profit/(loss) since filing of case	
56	Post-petition contributions/(distributions) or (draws)	
57	_____	
58	Market value adjustment	
59	<b>Total Equity (Deficit)</b>	<b>\$758,857</b>
60	<b>Total Liabilities and Equity (Deficit)</b>	<b>\$4,426,162</b>

**SCHEDULES TO THE BALANCE SHEET**  
**(General Business Case)**

**Schedule A**  
**Accounts Receivable and (Net) Payable**

**Receivables and Payables Agings**

0 -30 Days  
 31-60 Days  
 61-90 Days  
 91+ Days  
 Total accounts receivable/payable  
 Allowance for doubtful accounts  
 Accounts receivable (net)

<u>Accounts Receivable [Pre and Post Petition]</u>	<u>Accounts Payable [Post Petition]</u>	<u>Past Due Post Petition Debt</u>
	\$2,500	
	\$2,500	
.		

**Schedule B**  
**Inventory/Cost of Goods Sold**

**Types and Amount of Inventory(ies)**

	<u>Inventory(ies) Balance at End of Month</u>
Retail/Restaurants - Product for resale	_____
Distribution - Products for resale	_____
Manufacturer - Raw Materials	_____
Work-in-progress	_____
Finished goods	_____
Other - Explain	_____
<b>TOTAL</b>	<b>\$0</b>

**Cost of Goods Sold**

**Inventory Beginning of Month**

Add -  
 Net purchase  
 Direct labor  
 Manufacturing overhead  
 Freight in  
 Other:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Less -**

Inventory End of Month  
 Shrinkage  
 Personal Use  
 \_\_\_\_\_  
 \_\_\_\_\_

**Cost of Goods Sold**

**\$0**

**Method of Inventory Control**

Do you have a functioning perpetual inventory system?

Yes \_\_\_\_\_ No  x

How often do you take a complete physical inventory?

Weekly \_\_\_\_\_  
 Monthly \_\_\_\_\_  
 Quarterly \_\_\_\_\_  
 Semi-annually \_\_\_\_\_  
 Annually \_\_\_\_\_

Date of last physical inventory was \_\_\_\_\_

Date of next physical inventory is \_\_\_\_\_

**Inventory Valuation Methods**

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost \_\_\_\_\_  
 LIFO cost \_\_\_\_\_  
 Lower of cost or market \_\_\_\_\_  
 Retail method \_\_\_\_\_  
 Other \_\_\_\_\_  
 Explain \_\_\_\_\_

**Schedule C**  
**Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
Office building - 1010 Corporation Way, Palo Alto	<u>\$3,750,000</u>	<u>\$4,350,000</u>
Total	<u>\$3,750,000</u>	<u>\$4,350,000</u>

**Schedule D**  
**Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Broadcast equipment	<u>\$325,000</u>	<u>\$100,000</u>
Total	<u>\$325,000</u>	<u>\$100,000</u>
Furniture & Fixtures -		
Desks, computer, printer	<u>\$3,500</u>	<u>\$1,000</u>
Total	<u>\$3,500</u>	<u>\$1,000</u>
Office Equipment -		
Total	<u>\$0</u>	<u>\$0</u>
Leasehold Improvements -		
Total	<u>\$0</u>	<u>\$0</u>
Vehicles -		
Total	<u>\$0</u>	<u>\$0</u>

**Schedule E**  
**Aging of Post-Petition Taxes**  
**(As of End of the Current Reporting Period)**

<b>Taxes Payable</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91+ Days</b>	<b>Total</b>
<b>Federal</b>					
Income Tax Withholding	\$0	\$0	\$0	\$0	\$0
FICA - Employee	\$0	\$0	\$0	\$0	\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total Federal Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>State and Local</b>					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property				\$24,670	\$24,670
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
<b>Total State &amp; Local Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,670</b>	<b>\$24,670</b>
<b>Total Taxes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,670</b>	<b>\$24,670</b>

**Schedule F**  
**Pre-Petition Liabilities**

**List Total Claims For Each Classification -**

	<b>Claimed Amount</b>	<b>Allowed Amount (b)</b>
Secured claims (a)	\$3,618,704	\$3,618,704
Priority claims other than taxes	\$65	\$65
Priority tax claims	\$24,670	\$24,670
General unsecured claims	\$21,366	\$21,366

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

**Schedule G**  
**Rental Income Information**  
**Not applicable to General Business Cases**

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

	<b>Account 1</b>	<b>Account 2</b>	<b>Account 3</b>	<b>Account 4</b>
Bank	Union Bank			
Account Type	Checking			
Account No.	647004010			
Account Purpose	Operating			
Balance, End of Month	\$26,986			
Total Funds on Hand for all Accounts	<b>\$26,986</b>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

# STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 03/31/10

		Actual Current Month	Cumulative (Case to Date)
<b>Cash Receipts</b>			
1	Rent/Leases Collected	\$14,898	\$46,222
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	<b>Total Cash Receipts</b>	<u>\$14,898</u>	<u>\$46,222</u>
<b>Cash Disbursements</b>			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33	Insurance - Unigard	\$926	\$2,287
34	U.S. Trustee	\$325	\$325
35	HVAC Repairs	\$904	\$4,887
36	Cleaning/Supplies	\$400	\$600
37			
38	<b>Total Cash Disbursements:</b>	<u>\$2,555</u>	<u>\$10,654</u>
39	<b>Net Increase (Decrease) in Cash</b>	<u>\$12,343</u>	<u>\$35,568</u>
40	<b>Cash Balance, Beginning of Period</b>		
41	<b>Cash Balance, End of Period</b>	<u><u>\$12,343</u></u>	<u><u>\$35,568</u></u>

**STATEMENT OF CASH FLOWS**  
 (Optional) Increase/(Decrease) in Cash and Cash Equivalents  
 For the Month Ended 03/31/10

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
<b>Cash Flows From Operating Activities</b>			
1	Cash Received from Sales		
2	Rent/Leases Collected	\$14,898	\$46,332
3	Interest Received		
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Bank fees	\$15	\$43
22	Cleaning	\$400	\$400
23	Insurance	\$962	\$962
24	Security	\$749	\$749
25	HAVAC	\$904	\$904
26			
27	<b>Net Cash Provided (Used) by Operating Activities before Reorganization Items</b>	<b>\$12,678</b>	<b>\$31,462</b>
<b>Cash Flows From Reorganization Items</b>			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees	\$325	\$325
31			
32	<b>Net Cash Provided (Used) by Reorganization Items</b>		<b>(\$325)</b>
33	<b>Net Cash Provided (Used) for Operating Activities and Reorganization Items</b>	<b>\$12,678</b>	<b>\$25,799</b>
<b>Cash Flows From Investing Activities</b>			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	<b>Net Cash Provided (Used) by Investing Activities</b>	<b>\$0</b>	<b>\$0</b>
<b>Cash Flows From Financing Activities</b>			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	<b>Net Cash Provided (Used) by Financing Activities</b>	<b>\$0</b>	<b>\$0</b>
44	<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$12,678</b>	<b>\$25,799</b>
45	<b>Cash and Cash Equivalents at Beginning of Month</b>		
46	<b>Cash and Cash Equivalents at End of Month</b>	<b>\$12,678</b>	<b>\$25,799</b>